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# AGRICULTURAL COOPERATION

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## LARGEST RICE FARM TO SELL RICE COOPERATIVELY

It is reported that the crop of the largest rice farm in Arkansas has recently been signed up for sale through the Arkansas Rice Growers' Cooperative Association, Stuttgart, Ark. This farm comprises some 5,600 acres, of which about 3,000 acres are in rice this season. Advantageously located on the river bank with excellent facilities for irrigation, the farm is one of the show places of the state. It has its own store, blacksmith shop, saw mill, graneries, etc. A steamboat, with steel barges, is maintained on the river to transport rice, supplies, lumber, fuel oil, and other commodities. At the time the contract was signed 14 binders were at work harvesting the crop and deliveries of rice were begun immediately to an association mill.

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## FEW MICHIGAN COOPERATIVES GO OUT OF BUSINESS

That the number of failures among farmers' business organizations is not so large as is often stated is indicated by figures recently compiled in the United States Department of Agriculture regarding farmers' associations in Michigan. An examination of the records revealed the fact that, during the eleven years that the department has been collecting information about associations, reports have been received regarding 750 different Michigan organizations. Of this number 539, or 72%, are still active; 72 associations (9%) are listed as out of business; and information regarding the remaining 140 (19%) is not sufficient to permit their being included either as active or dead.

Reports sufficiently complete to permit of tabulation have been received from 420 organizations.

Data regarding 29 of the associations now out of business indicate the number of years that each was active. Twenty-two of these associations functioned for not more than five years. Six associations were active for periods varying from five years to seventeen years, and one association served its members for twenty-two years before going out of business, and then it sold out only to make way for a larger enterprise.

CALIFORNIA ASSOCIATION SETTLES FOR CARRIED-OVER CROPS

The sum of \$560,102 was recently paid to members of the California Prune and Apricot Growers' Association, San Jose, Calif., in final settlement for dried apricots of the 1923 crop. This represented an average of 2.38 cents per pound for the largest tonnage of dried apricots ever handled by the association. Advances to members before this settlement had ranged from 2.5 cents to 7 cents per pound for the different grades and varieties.

Every effort was made to reduce expenses with the result that the cost of handling the 1923 crop was reduced a little more than one-third of one cent per pound from the cost in 1922.

A final settlement for 1922 prunes has also been completed, amounting to \$337,343. Total payments varied from less than one cent a pound for "off-grades" to 12.50 cents for the largest size of "Sunsweet" prunes.

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PEAR GROWERS PAID PROMPTLY

Higher average prices than usual for Bartlett pears are reported by the California Pear Growers' Association, San Francisco, Calif. Up to September 12 the number of cars shipped was 5,142, which was about the same as in 1922, and 82% as many as in 1923 when 6,265 cars had been shipped on the same date. Final computations on prices have not been completed but it is believed the average for Bartlett pears will be around \$85 per ton, compared with \$67 in 1918, \$95 in 1919, \$115 in 1920, \$70 in 1921, \$46 in 1922, and \$51 in 1923. In considering the reasons for the improved prices this season the factor of prompt transportation is given first place. Because shipments were not delayed they arrived in good order. The season began earlier than ever before and there was no "peak" in the market. Distribution was better than ever before, many carlots going to the smaller markets, thus preventing gluts in the larger markets. More uniform packing is given credit for a part of the improvement, and advertising is also considered a factor.

A first payment on growers' canning pear accounts was made on or about August 5, amounting to \$10 a ton; a second payment of 50% of the unpaid balance was made about August 20; on September 1 the growers were paid 50% of the remainder; and on September 15 they were paid 75% of the remaining balance; making a total of about 95% of the entire amount within 75 days of the first delivery of pears and within 15 days of the delivery of the last lots.

CHANGES SUGGESTED IN GEORGIA PEACH-MARKETING PRACTICES

The 1924 season was a difficult one for the Georgia Peach Growers' Exchange, Macon, Ga., and proved unprofitable to many growers, according to a statement of the president. An unusually large crop brought many problems, the estimated production being 22,000 cars, compared with a normal production of 7,000 or 8,000 cars in previous years. The number of cars shipped by all agencies was 13,500. It is stated that the losses were far less than they would have been without the existence of the exchange which was "the only stabilizing influence which existed, but was not capacitated to handle the movement which developed in July." The belief is also expressed that "it is doubtful if such a movement of peaches as that of July can ever be handled as fresh fruit."

A fatal mistake was made in shipping much of the fruit on consignment, contrary to the advice of the sales agents, but at the insistent demand of the growers.

Among measures taken by the exchange to aid the industry was the employment of a research chemist to develop uses for peaches other than as fresh fruit. A by-product was produced which is believed to have good possibilities, and it is hoped to extend the research work. A campaign was conducted to teach the farmers the value of thinning peaches, also a campaign for better packing and Government inspection. The improvements in packing alone were sufficient to justify the existence of the association. The president believes that the handling at point of origin must be perfected and surrounded with such safeguards as will protect it from imposition from questionable shippers.

In discussing the prospects for the future, the president considers the large plantings soon to come into bearing, and the larger crops to be handled, and makes some suggestions. Among other things he recommends that as rapidly as possible the commercial grades of peaches shall be reduced to three varieties: Early Rose, Riley, and Elberta, and that other trees be pulled out; that a state law shall be enacted giving some department the power to adopt standard grades and packs and to enforce inspection at point of origin; that the contract shall be changed and that each local unit shall be reorganized under a charter, making each locality practically independent and in full charge of marketing its own fruit; that additional plants be built for the manufacture of by-products; and that community houses be re-financed.

A committee of growers, appointed by the board of directors, made a report under date of September 30, regarding changes which it was believed should be made in the by-laws. The committee recommended that growers be permitted to make orchard sales or f.o.b. sales and that they be permitted to indicate that the portion of the crop delivered to the exchange be consigned instead of sold f.o.b. The committee further recommended that the exchange be paid 4% on f.o.b. sales and orchard sales made by growers, and that the exchange deduct 10% of the gross sale price of fruit forwarded on consignment.

It was suggested by the committee that the Georgia peach industry urge Federal legislation requiring all receivers of fruits and vegetables to be under Federal license.



THIRTEEN MILLIONS TO BE DISTRIBUTED TO PAISIN GROWERS

"The raisin industry of California has passed its crisis with success," announces the president of the Sun-Maid Raisin Growers of California, Fresno, Calif. He further states that the association has worked out the problem of overproduction by increasing the consumption from 140,000 tons to 200,000 tons and by converting the remaining 100,000 tons into other products.

August shipments of Sun-Maid raisins amounted to 1,102 carloads, compared with 357 carloads for August of last year. The exports for August were 4,896 tons, compared with 2,795 tons for the same month last year. Total sales in Oriental countries for the first eight months of 1924 were 222,588 cases, against 108,165 cases for the first eight months of 1923.

Payments to members, authorized at the August meeting of the board of directors, will amount to approximately \$13,000,000. An additional half cent on the 1923 crop will amount to about \$2,500,000; an advance of two cents per pound on 1924 raisins will total more than \$10,000,000; and the first annual dividend on the preferred stock of the association will amount to \$350,000, a large portion of which will go to members.

On account of the improved condition of the industry, better arrangements for financing were possible and it is anticipated that a saving of \$75,000 in interest charges will result. Funds will be secured through a syndicate of California banks and through the Federal Intermediate Credit Bank.

A bonus of \$10 a ton is offered to growers who complete their deliveries before November 10. This will make the advance amount to two and one-half cents for raisins delivered in time to reach the holiday trade.

Forty-nine delivery stations are operating, 39 of which are in continuous operation, 2 only by appointment, and the remainder from one to five days a week. The date-delivery system is used. Each grower arranges for his appointments for delivery. No fruit is received unless previous appointments have been made, and if a grower is late his appointment is cancelled. This method saves the growers much time and makes possible the handling of larger quantities of fruit at the plants.

It was pointed out by President Ralph P. Merritt at a recent meeting of the board of directors, that if the association had but four packing houses strategically located, its manufacturing activities could be handled with an investment of but \$750,000 in packing materials instead of the \$1,800,000 required by the fourteen existing plants. He further stated that the saving in interest, were the smaller investment possible, would amount to \$65,000 annually.

NUT MARKETING ASSOCIATIONS DO BIG BUSINESS

Sales of various kinds of nuts by cooperative associations in 1923, reported to the U. S. Department of Agriculture, amounted to \$14,937,463. The number of pounds sold was given as 82,191,233 and the membership of the associations reporting totalled over 21,998. Walnuts lead the list in volume of business with peanuts coming second, followed by almonds and pecans.

Association	: Year : Formed	: Number : Members	: Number : Pounds	: Value : (1923 Crop)
	: (1924)	: (1924)	: (1923 crop)	:
California Walnut Growers' Assn., Los Angeles	: 1912	: 4,000	: 39,753,800	: \$ 8,961,906
Santa Ana Valley Walnut Growers' Assn., Santa Ana, Calif.	: 1918	: 400	: 2,809,295	: 709,283
Los Nietos & Ranchito Walnut Assn., Rivera, Calif.	: 1889	: 175	: 1,448,285	: 294,760
Dundee Walnut Growers' Assn., Dundee, Oregon.	: 1921	: 100	: 206,900	: 47,470
National Pecan Growers' Ex., Albany, Ga.	: 1918	: 604	: 1,150,000	: 276,025
Southern Pecan Growers' Coop. Assn., Albany, Ga.	: 1923	: 60	: 200,000	: 75,000
Peanut Growers' Association, Norfolk, Va.	: 1919	: 5,300	: 7,010,548	: 1,703,408
Georgia Peanut Growers' Coop. Assn., Albany, Ga.	: 1923	: 8,000	: 15,716,000	: 1,033,379
California Almond Growers' Assn., San Francisco.	: 1910	: 3,359	: 13,896,405	: 1,835,732
Total	:	: 21,998	: 82,191,233	: \$14,937,463

The California Walnut Growers' Association is a federation of 39 local organizations. These locals are made up of from 12 to 350 walnut growers; and the value of the nuts handled by the associations in 1923 varied from \$60,000 to \$1,200,000.

The four walnut associations listed above reported handling walnuts of the 1923 crop to the value of \$10,013,419. Pecans to the value of \$351,025 were handled by the two associations reporting, and peanuts to the value of \$2,737,287 by the Virginia and Georgia Peanut associations.

FINAL AUDIT OF COLORADO WHEAT POOL

Under date of September 15, 1924, a certificate relative to the 1923 wheat pool of the Colorado Wheat Growers' Association, Denver, Colo., was issued by certified public accountants. The audit covered the period from July 15, 1923, to May 10, 1924. A total of 1,301,666 bushels of wheat was included in the 1923 pool. Proceeds from the sale of the grain amounted to \$1,226,969. General, administrative, and membership-extensions expenses amounted to \$51,498.43; freight, storage, and handling charges, to \$377,679.34; deductions as a reserve for contingencies, \$22,820.26, which is 1.86% of the gross resale proceeds.

Among the larger items making up the general, administrative, and membership-extensions expenses were the following:

Salaries	\$13,332.00
Interest	8,553.82
Publicity and membership extension(net)	8,338.85
American Wheat Growers Associated	7,810.00
Postage, printing, supplies	3,883.48
Rent, heat, light, telephone, etc.	1,468.06
Bonds, fidelity and surety	2,966.61
Directors, fees and expenses	1,834.46
Traveling expenses (management)	1,420.51
Legal	1,078.50
Sundry (Less \$305.58)	712.14
Total	\$51,498.43

These expenses amounted to a charge of 3.9¢ per bushel.

Settlement was made with the growers on the basis of 99.6¢ per bushel for No. 1 hard wheat. A protein premium was allowed the growers according to the value of the wheat shipped from the various stations. This premium in some cases amounted to 18.4¢ per bushel, which amount was credited to the growers at two shipping points. The growers, therefore, were paid, according to the quality of the grain, from 99.6¢ per bushel to \$1.18.

All growers were charged for freight from their shipping stations to Kansas City. These charges ranged from 13.5¢ per bushel to 19.8¢. Furthermore, there was an interior handling charge which varied from 3¢ to 4.5¢ per bushel. Thus total deductions ranged from 28.1¢ to 36.5¢ per bushel, and the net credits to members varied from 63.4¢ to 88¢.

At the close of business on May 10 the current assets were \$128,629; and the current liabilities, \$133,262. In addition to the current assets there were deposits to the amount of \$13,582 in banks which had closed their doors.



GEORGIA COTTON BEING DELIVERED RAPIDLY

A record delivery of 2,770 bales of cotton in one day is reported by the Georgia Cotton Growers' Cooperative Association, Atlanta, Ga. The largest previous delivery in one day was 2,389 bales on October 8, 1923. On September 15, 1924, the day when members delivered 2,770 bales, advances were made on 2,212 bales to the amount of \$150,000. No drafts were drawn against the remaining 558 bales. The association has received about five times as much cotton as it had received on the same date in 1923.

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COST OF MARKETING COTTON COOPERATIVELY IN NORTH CAROLINA

According to the balance sheet of the North Carolina Cotton Growers' Cooperative Association, Raleigh, N. C., as of July 31, 1924, published in the October 1 issue of the North Carolina Cotton Grower, a total of 130,853 bales of cotton was handled during the 1923-24 season. Gross sales, less claims, rejections, loss in weight, etc., amounted to \$19,019,879. From this total there was deducted \$607,147 as a direct pool expense, and \$426,760 as an overhead expense, leaving approximately \$17,985,000 as representing the growers' equity in the cotton. This was an average of \$137.45 a bale.

The average net price per pound to grower for middling white cotton from 7/8 to one inch in length, was 29¢. From this price only the retain of 1% of the gross distributable sales was deducted. This is a slightly better showing than was reported in the issue of Agricultural Cooperation for August 25 (page 279) where it was stated that the operating expenses were also deducted. The retain amounted to \$184,125 and becomes part of the permanent reserve used for working capital but belonging to the members in proportion to the contribution of each. The total amount in the members' permanent reserve on July 31 was \$384,815. In addition there were special reserves amounting to \$43,786, to take care of unclosed transactions.

Items making up the direct pool expense were as follows:

Weighing, storage, drayage, and terminal expense	\$290,465.88
Insurance on cotton in warehouses and in transit	82,201.70
Patching and marking on compressed cotton	7,416.17
Handling charges at destination	1,493.60
Interest on borrowed money	198,892.31
Interest on 1% reserve, 1922-23	10,202.99
Revenue stamps, trustees' expense, exchange,	16,474.60
Total	\$607,147.25

The average deduction for direct pool expense is reported at \$4.56 a bale and the deduction for overhead expense, \$3.26, making the total deduction from the gross sale price \$7.82 a bale on the 130,853 bales of cotton handled by the association during 1923-24.

TEXAS COTTON ASSOCIATION COMPLETES THIRD YEAR

Cash receipts and disbursements of the Texas Farm Bureau Cotton Association, Dallas, Tex., for the fiscal year ending June 30, 1924, were \$44,732,809 and \$43,905,334, respectively. There was a cash balance at the close of the year of over \$800,000. The larger items among the receipts were: notes and acceptances payable, \$17,800,000; and cotton sales, \$25,700,000. The larger items among the disbursements were: repayment of loans, \$16,400,000; payments to members, \$24,750,000; members' freight, \$760,000; weighing, yardage, storage, \$198,700; freight on outbound shipments, \$290,700; high density compressing, \$97,900; patches, \$57,500; insurance, \$123,500; campaign expenses, \$91,300; commission on contracts, \$62,500; bank commissions, \$58,100; traveling, \$30,400. While the disbursements for expenses were over \$1,487,700, more than \$1,000,000 of the total was for expenses directly chargeable against the cotton, such as freight, storage, compressing, insurance, etc. The gross operating expenses for the year amounted to \$483,110, from which was deducted receipts from sales of loose cotton, association dues, liquidated damages, etc., amounting to \$72,709, making the net operating expense for the year, \$410,400. As 182,321 bales of cotton were handled, the net operating expense per bale was \$2.25.

For convenience, the many items making up the operating expense of the association have been grouped under several headings as indicated below. Both the total expense and the expense per bale are given.

	<u>Total</u>	<u>Per Bale</u>
President, secretary and treasurer	\$ 32,848.82	.180
Directors	18,372.41	.101
Sales department	32,494.75	.178
Dallas and Houston offices	175,991.86	.965
Field service	67,751.20	.371
Legal expenses	17,477.51	.096
General expenses	138,173.73	.758
Total	433,110.28	2.649
Less deductions	72,709.68	.399
Net operating expense	410,400.60	2.250

This net cost per bale for operating expenses is lower than for the preceding year. Arranged in tabular form the figures for the three years the association has been operating are as follows:

Year	:	Bales	:	Operating
	:	Handled	:	Cost Per Bale
1921-22	:	93,802	:	\$3.16
1922-23	:	77,706	:	3.59
1923-24	:	182,321	:	2.25

CONNECTICUT VALLEY TOBACCO GROWERS CLOSE SECOND YEAR

Reports by the president, the general manager, and the director of the field service department, were made at the annual meeting of the Connecticut Valley Tobacco Association, Hartford, Conn., held recently. The president pointed out that during the year the number of members' contracts increased from 3,312 to 3,659, and that the total area now under contract is 24,596 acres. During the year four subsidiary warehouse companies were formed and a number of warehouses constructed. Additional space was thus obtained for the proper handling and packing of approximately 30,000 cases of tobacco. A contract was entered into with a commercial firm for sampling and guaranteeing as to quality the tobacco offered for sale. Arrangements were made whereby the line of credit granted the association by the banks was increased from \$500,000, the amount available for handling the 1922 crop, to \$2,500,000 for succeeding years. Relations were also established with the Intermediate Credit Bank at Springfield. Arrangements were made for fire insurance for members from the time the tobacco was harvested until it reached an association packing house. Standard grades were adopted for both commercial Havana Seed and Broadleaf tobacco.

Three exhibits were made by the association during the year. These were at the Eastern States Exposition at Springfield, Mass., the Manchester Centennial, Manchester, Conn., and the National Tobacco Show, New York City.

In discussing the problem of preparing the tobacco for market the general manager said. "The tobacco was packed in a regular manner under our own supervisors. ... I believe that none of our members should be allowed to pack their own crops."

The greater part of the 1922 crop has been sold and much of the 1923 crop. Because of the curing processes to which the tobacco is subjected it is a year or more after harvest before the tobacco is marketed.

In the opinion of the president of the association, the greatest single problem is to find out whether or not the membership will be able, "of its own volition and as a result of advice of its management, to adapt its acreage to the market as it may exist." In regard to the past he said, "I am firmly convinced that if this association had not been in existence during the past two years, the 1922 and 1923 crops would have moved only at prices entirely disastrous to the growers, and that the industry of tobacco growing in New England would now have reached a most deplorable situation."

Five payments totaling \$795,842 have been made by the syndicate of insurance companies because of damage by hail to fields of tobacco. These payments were made to the association, which attends to the distribution among the growers. The losses totaled approximately one and one-half million dollars. These are being paid as rapidly as adjustment can be made. It is stated that practically every tobacco-growing town was visited by hail the past season and that nearly one-half of the members of the association suffered because of damage to the growing crops.



CANADIAN ASSOCIATION HAS BIG TURNOVER

Incorporated on March 8, 1923, for the purpose of cooperatively marketing the fruits and vegetables of its members, the Associated Growers of British Columbia, Limited, Vernon, B. C., had a turnover in its first year of operation of \$3,279,609. During the season it handled 3,132,182 packages of fruit, 139,605 packages of vegetables, and 12,916,102 pounds of vegetables in bulk. The 1924 crop promises to be only about 50% or 60% of that of last year, but better prices are prevailing.

Although strictly cooperative in purposes and organization, the association "for technical reasons," was incorporated under the Companies act. The membership is now 2,800, "representing 80% of the tree fruits produced in British Columbia," besides the vegetables handled. Under its memorandum of association the company has broad powers and is entitled among other things:

To conduct and carry on the business of fruit, vegetable, grain, hay and general merchants, both wholesale and retail, and on commission, and to act as brokers in the buying and selling of same, and to carry on the business of buyers, sellers, exporters, handlers, traders of and dealers in all farm, garden, orchard and dairy products, . . . .

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MANITOBA HAS HONEY-MARKETING ASSOCIATION

An organization known as the Manitoba Honey Producers' Association has been formed at Winnipeg to act as a marketing agency. This association will act in close cooperation with the Manitoba Bee Keepers' Association which is active in bettering the condition of the honey industry. Both organizations will be effectively assisted by the bee divisions of the Agricultural Experiment Stations maintained by the Dominion Department of Agriculture.

The Province of Manitoba uses large quantities of honey, especially in the seasons when fresh fruit is scarce, and the Provincial Government has used aggressive measures to stimulate increased production. The past two years, through the initiative of the Agricultural Department, Manitoba has imported about 10,000 packages of bees each spring from the United States.

Although the 1924 crop will not be so large as that of 1923, it is stated that the honey crop is increasing at the rate of 1,000,000 pounds a year. Production in 1921 was 194,000 pounds; in 1922, 1,000,000 pounds; and in 1923, 3,041,256 pounds. This 1923 crop was valued at \$456,256, or 15¢ per pound on the farms. The average per hive in 1923 was 126 pounds. It is stated that there are now 28,000 hives in the province, and that the production has been increased 56 pounds per colony since the campaign of education was begun.



SOUTH AFRICA FOLLOWS IN THE FOOTSTEPS OF CALIFORNIA

An organization resembling in many respects the California Fruit Growers' Exchange of Los Angeles, Calif., has been set up to serve the fruit growers of South Africa and Rhodesia. The association, which is known as the Fruitgrowers' Cooperative Exchange of South Africa, Ltd., has its headquarters at Pretoria and its shipping office at Cape Town. In a brochure recently published by the association it is stated that the exchange "was formed as a national organization and primarily to place the export fruit trade of the union on a sound basis by arranging for the shipping of the fruit and organizing the marketing and distribution overseas by the producers themselves." It appears that a levy is imposed on each ton of fruit shipped. This levy is collected by the government and turned over to the exchange to be used for the benefit of its members. However, the right to use part of the levy for special purposes is reserved by the Minister of Agriculture.

The Agricultural Cooperative Societies Act of 1922 furnishes the legal basis for the exchange which aims to serve all South Africa fruit growers who desire to act collectively in accordance with cooperative principles. There is provision in the plan of organization for local cooperative companies made up of fruit growers. Only bona fide fruit growers are eligible to membership and the "one man, one vote" principle is recognized. These locals deal with all matters affecting the industry and "handle their members' produce on a cooperative system." They are the only agencies in the exchange plan authorized to buy and sell.

Delegates selected by the local companies make up the provincial or central cooperative companies. These centrals annually appoint the members of the sub-boards, and the 15 directors of the sub-boards form the Federal Board or board of directors of the exchange.

According to the brochure mentioned above, the principal functions of the provincial or central cooperative companies are "to collate and decide on all local and provincial matters ... and pass on the results of their deliberations to the sub-boards."

Eight of the 15 members of the Federal Board represent the citrus fruit growers and are organized as the citrus sub-board; five members constitute the deciduous sub-board; and two constitute the pine-apple board. These sub-boards have "final and complete control over all matters which affect purely their respective divisions." The federal board of directors of the exchange "is entrusted with authority over all matters of general policy and management, both in South Africa and overseas, which are common to the industry as a whole. Funds for this purpose are of necessity a first call on the levies collected by the government on all fruit exported."

It is stated that "the federal exchange is not a trading body but one of its main objects is that of providing a service which will indicate to growers the best channels for sales or purchases." The claim is made that the membership includes practically all deciduous exporters and over 80% of all citrus growers.

### BRITISH EGGS TO BE GRADED AND GUARANTEED

A new English organization, known as the Cooperative Poultry Products, Ltd., is developing a plan for marketing British eggs which are graded, stamped and guaranteed. This association of poultry farmers was formed a few months ago primarily to prepare for market and sell the cockerels and unwanted stock. A farm was acquired and a plant is being established for fattening birds for market. Realizing that the unfavorable reputation of British eggs in the markets is largely due to the lack of grading and guarantee of quality, efforts are being made to remedy the difficulties and to build up a reputation by the use of a protected trade-mark, "C.P.P.," which will be stamped on the broad end of each egg. Egg cases will also bear this trade-mark. Three grades have been planned, according to size of the eggs, and all eggs will be guaranteed fresh and clean. A system of pooling has also been worked out.

The organization is purely a selling association for the purpose of securing better prices for products.

Membership is based on a method of taking up shares at the rate of £1 per 100 head of adult stock. The shares may be fully paid up; 10s. paid up; or the amount may be accumulated by a deduction of 1/2d. per dozen from the price received for the eggs. The main office is at Virginia Water, Surrey.

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### IRISH BREEDERS AND ENGLISH FARMERS COOPERATE

A sale of 600 Irish cattle at Reading, Berkshire, England, on September 17, marked a new departure in the cattle trade between the United Kingdom and Ireland, according to a report recently forwarded from London. This was the beginning of a cooperative movement between breeders and farmers to eliminate the three to five middlemen through whose hands the cattle usually pass. Trade between the two countries represents about £20,000,000 a year, and the number of cattle shipped runs from 750,000 to 1,100,000. It is hoped that at least 10% of the total may be handled under the new plan.

It is stated that the new movement was organized by the Country Gentlemen's Association, a purely cooperative association with a membership of 5,000 in the United Kingdom and Ireland. Those eligible to take advantage of the plan will be members of the association and members of the Irish Farmers' National Union. The work is being started with a minimum of outlay, the total expenditure being the organization expense.

The cattle are to come in ships chartered for each consignment and will be taken to the place of sale in special trains. It is proposed to hold sales in the different parts of the country every other week. Heifers were sold chiefly at Reading, and the second sale was to be held in a cattle feeding district, so that Irish breeders of every sort of cattle will be provided for.

PRICE-FIXING PROGRAM BY WHOLESALERS ENJOINED

The case of United States v. Live Poultry Dealers' Protective Association, Inc., et al., recently decided by the Federal District Court for the Southern District of New York, 298 Fed. 139, was one in which the Government successfully brought suit under the Sherman Anti-Trust Act against the association and some twenty-two of its officers and members for the purpose of terminating certain alleged illegal restraints with respect to the purchase and sale of live poultry in the markets of New York City. The facts with reference to this matter will be presented in chronological order.

About February, 1914, the principal wholesale dealers in New York City engaged in the handling of live poultry organized the association in question under the corporation laws of the state of New York. The control and operation of the association were vested in its officers and executive committee. The executive committee appointed a price committee of seven members "to make up a committee which is fully authorized to bid on the price of poultry in order to obtain the market price therefor."

On or about June 1, 1923, the association, through its officers, issued a circular letter to substantially all of the commission men engaged in the handling of poultry in New York City as agents for shippers in other states notifying them that the association had appointed a price committee the members of which were fully authorized on behalf of the association to bid on live poultry for the purpose of establishing a market quotation, and that the agreement of four members of the committee of seven was necessary to the establishment of a price.

The bulk of the live poultry received in New York City, valued at upwards of \$30,000,000 per annum, is received at the West Washington Street market, and on business days it appeared that the price committee would visit this market, ascertain the available supply of poultry either moving or on hand, and after talking with individual commission men would announce a price which would be paid by all the members of the association for poultry purchased from the commission men. In other words, substantially all of the large wholesale dealers in poultry, some 300 in number, acting through the price committee of their association, advised the commission men daily of the price which they would pay for poultry on that day. In the great majority of cases the price fixed and announced dominated and controlled the New York market and fixed the price which was actually received by practically all those who shipped poultry to the New York market. It was not disputed that the members of the association were bound in the dealings with commission men to pay the prices fixed, and that the control of the market by the price committee was so complete that rarely did individual members of the association offer contrary opinions as to what the price should be. The court said, "It is also apparent that the publication of the price in the New York wholesale market substantially affected the price paid in other large markets throughout the whole trade, both here and elsewhere."



With respect to the success of the plan the court said:

The methods referred to in effect eliminated competition to a great extent between individual buyers and individual receivers (commission men), and deprived the shippers of such poultry in interstate trade and commerce of the open market in a sale of their line of poultry by free competition. It also further appears that the association and its members from time to time have threatened boycotts against certain receivers of live poultry, evidently for the purpose of compelling such receivers (commission men) not to sell and deliver poultry to other buyers and wholesalers, of whom the defendant association or its members did not approve, and also for the purpose of preventing them from securing supplies of live poultry to be resold on the markets of New York City. It is alleged that on numerous occasions the boycott was successful in preventing buyers or wholesalers from securing supplies from the receivers (commission men).

The following quotation from the opinion is of particular significance:

The defendants' answer, in substance, admits that the defendant association and its officers and members have entered into a combination for the purpose of fixing in concert a price for all such live poultry sold in this market, as stated; but they say, by way of defense, that the price so agreed and announced by the price committee is not altogether an arbitrary price, but is based upon examination of the supplies available, and also upon conferences with the various receivers. But there is no contention that the receivers are grouped together, on the one hand, to bargain on behalf of their shippers as against the combined power of the defendants; but the combined power of the defendants operates against the individual strength of individual receivers, which, of necessity, results in the balance of power resting with the purchasing group, who are combined together in concert and fix the prices, as indicated.

An appropriate injunction was issued.

L. S. Hulbert.

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#### BOOKLET DESCRIBES COOPERATIVE WHEAT MARKETING

A second edition of its handbook of information on Cooperative Wheat Marketing has been issued by the Oklahoma Wheat Growers' Association, Enid, Okla. The new edition is more than twice the size of the first and contains a history of the organization, an outline of its plans and practices, information regarding its personnel, a general discussion of the subject of cooperative marketing, and a series of questions and answers. The booklet is being distributed by the Oklahoma Wheat Growers' Association to persons desiring information on the subject of cooperative wheat marketing.



TWO NEW STATE BULLETINS DEAL WITH COOPERATION

Two bulletins dealing with the subject of agricultural cooperation have recently appeared, one from the Minnesota Agricultural Experiment Station and one from the Ohio Agricultural Experiment Station.

The former is a 112-page bulletin, entitled "Cooperative Central Marketing Organization," by John D. Black and E. Bruce Price, and is a general discussion of the subject in all its phases. Its purpose is stated to be "to answer as many as possible of the questions that are constantly being asked concerning cooperation in the central market."

The other bulletin, entitled "Cooperative Livestock Shipping in Ohio," is by B. A. Wallace, who states he has endeavored to "assemble a body of information which would cover from several viewpoints the operations of a sufficient number of companies to give real view of methods and results, and then to analyze the data assembled so as to present both a fairly definite picture of what they have done and are doing and also some suggestions of further things they should do."

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RELATIONS OF ORGANIZATION AND PRICE STABILIZATION DISCUSSED

"The Organization of Agriculture in Relation to the Problem of Price Stabilization," is the title of a pamphlet of some forty pages by Professor William R. Camp, of the University of California. This discussion is reprinted from the Journal of Political Economy, June, and August, 1924. The author summarizes his paper in the following words:

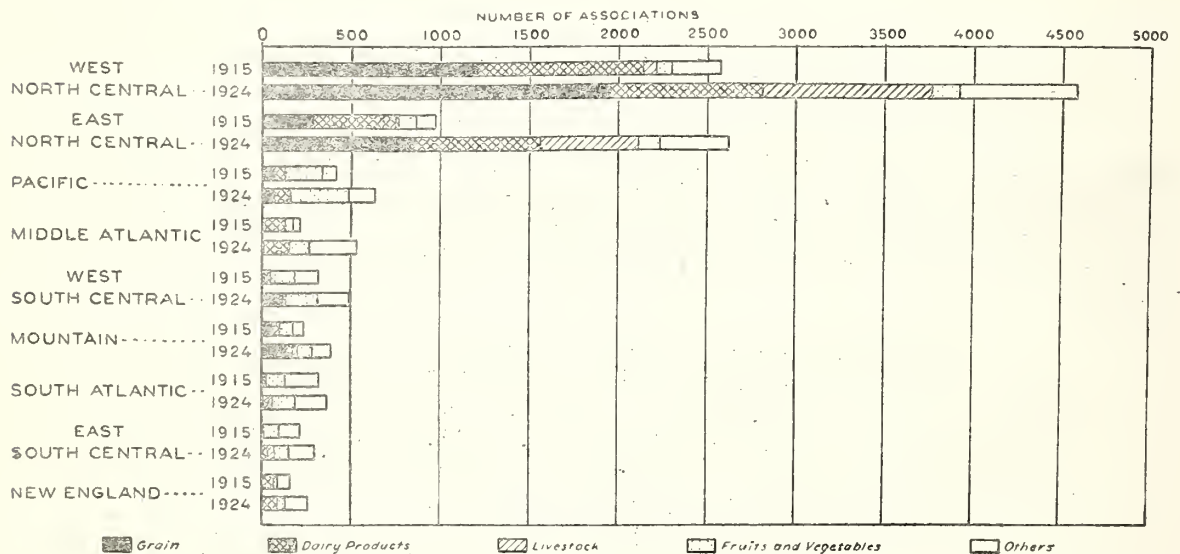
Part One gives a brief history of two of the leading types of organization in California, and shows how two very different organizations developed to meet very different marketing and credit problems, and indicates that the system of distribution of a farm product bears an intimate relation to the price received for the product...

In Part Two the analysis points out the relation of marketing and bank credit to agricultural prices and to the business cycle. Some phases of the complexity of the problem of price stabilization, which the organization of growers very commonly seeks to solve, are indicated. The growers in California have made price changes more gradual, notably since the crisis of 1920; but, being without power of controlling output, they must expect to be less able to stabilize prices than manufacturers, and for this reason of having less power to limit the rate of production, they must, on an average have lower selling prices than buying prices.

The author states that a limited number of these reprints are available for distribution.

### GAINS IN NUMBER OF COOPERATIVE ASSOCIATIONS

Number of associations is ceasing to be a satisfactory measure for use in determining the status of the agricultural cooperative movement in the United States. It was a good measure ten years ago when nearly all the functioning organizations were locals and these locals did not vary greatly in size and relative importance. To-day, however, there are local associations, centralized associations, and sales agencies in the terminal markets. These vary in size and importance from organizations with fewer than 25 members, doing an annual business of less than \$25,000, to organizations with over 100,000 members, doing a business of over \$70,000,000 a year. Because of this fact, number of members and amount of business are being taken more and more as measures of relative importance.



Although number of associations, as a measure of importance, has its shortcomings, it is still of interest to note the changes that have taken place since 1915. The above chart shows the number of associations handling the various lines of products in 1915 and in 1924, by geographic divisions. During the nine years there were big gains in the number of associations handling grain, livestock, and fruits and vegetables.